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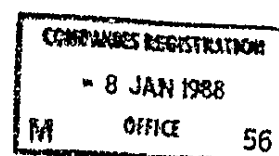


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**MANCHESTER CITY  
FOOTBALL CLUB P.L.C.**

*Report and  
Accounts*

*1987*



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Manchester City Football Club p.l.c

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the ninety third Annual General Meeting of the Company shall be held on Friday 30th October, 1987 at the Manchester City Social Club, Maine Road, Moss Side at 12.00 noon.

### Agenda

- 1 To confirm the Minutes of the last Annual General Meeting
- 2 To receive the Auditor's Report
- 3 To receive and consider the Accounts and the Directors' Report
- 4 (i) To re elect P. J. Swales as a Director of the Company  
(ii) To re elect A. G. Thomas as a Director of the Company.  
(iii) To re elect B. Turnbull as a Director of the Company.  
(iv) To re elect J. Greibach as a Director of the Company.
- 5 To re appoint Boardman, Woolrich as Auditors.
- 6 To authorise the Directors to fix the remuneration of the Auditors.
- 7 Any other business.

By Order of the Board  
J.B. HALFORD, Secretary.  
1st October, 1987

### Notes

The Company's Articles of Association provide that no person except a retiring Director shall be elected as Director unless seven days previous notice in writing shall be given to the Company of the intention of any member to propose any person other than a retiring Director for election to the office of Director, stating the name and address of the person who offers himself, or is proposed as a candidate.

Any member entitled to vote at this Meeting may appoint another person, who need not be a member, as his proxy to attend and vote on his behalf. The instrument appointing a proxy duly witnessed shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

## Directors

P. J. SWALES (Chairman)  
E. PYE (Vice Chairman)  
I. L. G. NIVEN, M.B.E.  
C. B. MUIR  
M. T. HORWICH  
W. C. ADAMS  
A. G. THOMAS  
G. J. DOYLE  
W. A. MILES  
B. TURNBULL  
J. GREIBACH  
J. K. WHITE

### HONORARY PRESIDENTS

A. E. ALEXANDER, M.S.I.A.  
S. S. ROSE, M.B., F.R.C.S.

### SECRETARY

J. B. HALFORD

### MANAGER

J. FRIZZELL

### TEAM MANAGER

M. MACHIN

### Registered Office

Maine Road, Moss Side, Manchester M14 7WN

### Bankers

THE ROYAL BANK OF SCOTLAND plc

### Auditors

BOARDMAN, WOOLRICH  
Chartered Accountants

### Solicitors

FOX BROOKS MARSHALL

Manchester City Football Club p.l.c.

## Chairman's Report

I am pleased to report that the year to 31st May 1987 ended with a profit of £575,730, £200,000 of this coming from actual trading. In fact, in the past three years, trading profits, before taking into account fluctuations arising from the transfer of players, have shown a steady upward trend, a trend we are confident will continue into the future. As a result of this, the Club's net assets have increased from £2.8m to £3.4m and our current liabilities are the lowest since 1979. This is due in no small way to the financial reorganisation that took place three years ago when my close friend Stephen Boler purchased a major stake in the club. He and I jointly own in excess of 60% of the shares in the club and I am delighted by his enthusiasm in helping the club back into profitability.

The Club's playing performances during the Season, however, were very disappointing, resulting in the Team being relegated to the Second Division, this being the second time in four years. We hope to return to the First Division at the earliest opportunity. We did, however, win the Central League following our earlier success in the FA Youth Cup the previous year. This does show the progress being made by our Youth Policy and the benefits of our training complex at Platt Lane.

On the commercial side, we are continuing to make tremendous strides. A major sponsorship agreement with Brother, worldwide electrical manufacturer and distributors, was completed for a minimum of three years, this is one of the biggest sponsorship agreements ever signed and we are delighted to welcome Kay Tazaki and his many employees to Maine Road. We have also completed another transaction with Tom Garner Motors which I am sure will be beneficial to both Companies. Another major rock concert has been staged and we would like to thank the Police, the Local Council, the Local Authorities and the Local Residents Committee for their help in ensuring this event was a success. Our Cashmaker scheme is another example of the growth of the commercial side of the Club.

On the general football front, major changes are taking place. The game is now slowly recovering with renewed efforts and new innovations such as the Membership Card Scheme which is helping to make football safer to watch and so rid itself of the hooligan element and we consider Maine Road to be one of the safest grounds in the country to watch football. Our association with the Supporters Club continues to grow. This season, they are sponsoring the Central League travel, a unique arrangement for which the Club is most grateful. The Junior Blues continue to thrive and this Organisation is still the foremost junior organisation in football. Both these organisations help Manchester City to remain one of the best supported Clubs in the country.

Football remains the most popular game in the world.

I would like to thank everyone connected with Manchester City for their help and enthusiasm. In spite of being in Division Two, we look forward, with optimism, to the future.

## Report of the Directors 1987

The Directors submit their report and the audited accounts for the year ended 31st May 1987

### 1. Principal Activity and Review of the Business

The principal activity of the Company is that of a professional football League Club. A review of the business and future developments are included in the Chairman's Report

### 2. Results and Dividends

The trading profit for the year amounted to £575,739. No dividends are proposed in respect of the year.

### 3. Directors

The Directors and their interests in the shares of the Company at the end of each financial year or on appointment were as set out below:

	1987	1986
P. J. Swales	206,450	206,450
I. L. G. Niven	31,004	30,004
C. B. Muir	5,235	5,235
M. T. Horwich	8,850	8,850
W. C. Adams	8,210	8,210
A. G. Thomas	150	150
G. J. Doyle	15	15
F. Pye	1,066	38
W. A. Miles	9,045	8,595
B. Turnbull	10	10
J. Greibach	5,118	5,118
J. K. White	10	10

P. J. Swales, A. G. Thomas, B. Turnbull and J. Greibach retire and being eligible, offer themselves for re election.

### 4. Fixed Assets

The changes in fixed assets during the year are summarised in note 6 to the accounts on page 12.

### 5. Auditors

The auditors, Boardman, Wootrich have expressed their willingness to continue in office and a resolution for their re appointment will be submitted at the Annual General Meeting

By Order of the Board

J. B. HALFORD

Secretary.

1st October, 1987

**Manchester City Football Club p.l.c.**

## **Report of the Auditors**

*To the Members of Manchester City Football Club p.l.c*

We have audited the accounts on pages 7 to 15 in accordance with approved auditing standards

In our opinion, the financial statements, which have been prepared under the historical cost convention (apart from the revaluation of certain fixed assets) give a true and fair view of the state of the Company's affairs as at 31st May, 1987 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

BOARDMAN, WOOLRICH  
Chartered Accountants  
Hale, Cheshire

1st October, 1987



Manchester City Football Club p.l.c.

**Profit and Loss Account**  
Year Ended 31st May, 1987

		1987	1986
	Notes	£	£
<b>TURNOVER</b>	2	1,898,669	1,596,363
Administrative Expenses		511,318	530,422
Staff costs	3 b)	866,663	989,781
Transfer Fees - Net (inc) (exp) expenditure		(376,162)	331,125
Payments to other Clubs, Leagues and Associations		71,333	167,357
		1,073,152	2,012,585
<b>OPERATING PROFIT (LOSS)</b>	3	825,517	(16,222)
Rents Received			25
Donations from Development Association		91,000	104,100
		91,000	104,125
		916,517	87,883
<b>Interest Payable</b>	4	340,778	387,788
<b>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		575,739	(209,885)
Tax on profit (loss) on ordinary activities	5		
<b>PROFIT (LOSS) FOR THE FINANCIAL YEAR</b>		<u>(575,739)</u>	<u>(129,835)</u>

Manchester City Football Club p l c.

# Balance Sheet

As at 31st May 1987

	Notes	1987	1986
<b>FIXED ASSETS</b>			
Long-term Assets	6	7 462 233	7 447 611
<b>CURRENT ASSETS</b>			
Investments		500	
Stocks		6 848	5 037
Debtors	7	243 570	343 594
Cash in Hand		2 780	2 800
		253 026	351 535
<b>CREDITORS</b>			
Amounts falling due within one year	8	(2 460 878)	(2 912 372)
<b>NET CURRENT LIABILITIES</b>		(2 215 253)	(2 560 237)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5 246 950	4 887 373
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(1 809 369)	(2 019 222)
		<b>£3 437 580</b>	<b>£2 868 151</b>
<b>Financed by</b>			
Called up Share Capital	10	714 000	714 000
Calls on Shares Forfeited		23	23
Calls on Shares Forfeited	11	4 489 710	4,489,710
Revaluation Reserve			
Profit and Loss Account	12	(1,765,843)	(2,341,532)
		<b>£3 437 580</b>	<b>£2 868 151</b>

Signed on behalf of the Board

P. J. Swales }  
A. G. Thomas } DIRECTORS  
1st October 1987

*P. J. Swales*

J. B. Hallford, SECRETARY

*[Signature]*

# Statement of Source and Application of Funds

Year Ended 31st May, 1987

	1987	1986
	£	£
<b>SOURCE OF FUNDS</b>		
Profit/loss before taxation	575,233	(200,694)
Adjustment for items not involving the movement of funds		
Depreciation	12,631	12,720
Loss on sale of assets	1,900	
	590,270	(207,184)
<b>Funds from other sources</b>		
Loans		127,076
Mortgage Advances		34,032
	590,270	(125,877)
<b>APPLICATION OF FUNDS</b>		
Purchase of Fixed Assets	29,124	82,443
Mortgage Repayments	10,084	10,033
Decrease in Deferred Income	65,870	50,032
Building Loan Repayments	104,000	104,000
Hire Purchase Repayments	3,584	6,373
Repayment of Loans	65,270	
Repayment of City Bonds	21,050	
	298,982	252,831
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<b>(291,288)</b>	<b>(1,378,608)</b>
<b>Represented by -</b>		
Investments	500	
Stock	1,760	(1,072)
Debtors	(100,025)	(45,120)
Creditors	(182,001)	111,181
	(280,766)	64,969
<b>Movement in Net Liquid Funds</b>		
Increase/(Decrease) in Cash Balances	571,848	(443,797)
	<b>£291,288</b>	<b>£(378,608)</b>

## Notes to the Accounts 1987

### 1 ACCOUNTING POLICIES

These accounts have been prepared under the historical cost convention

#### (a) TURNOVER

Turnover represents amounts receivable by the Company, excluding value added tax, for goods and services supplied

#### (b) TANGIBLE ASSETS AND DEPRECIATION

Tangible assets are shown at their original cost to the Company with the exception of Freehold land and buildings at Maine Road which are shown at their 1970 valuation with subsequent additions included at cost

In view of the continuing policy of expending substantial sums on improving and renovating Freehold buildings it is not considered necessary to charge depreciation. Depreciation has been charged on other assets in the following way:-

Fixtures and Fittings	100% straight line
Motor Vehicles	25% reducing balance

These rates are designed to write off the assets over their estimated useful lives

#### (c) TRANSFER FEES

Transfer fees receivable and payable have been written off during the year to the Profit and Loss Account

#### (d) STOCK

Stock is valued at the lower of cost and net realisable value

#### (e) DEFERRED TAXATION

There is no deferred taxation liability due to losses incurred in prior years

### 2 TURNOVER

	1987	1986
	£	£
Gate Receipts	1,400,854	1,555,104
Related Activities	437,810	441,259
	<u>£1,838,664</u>	<u>£1,996,363</u>

## Notes to the Accounts 1987

### 3 OPERATING PROFIT (LOSS)

Operating profit (loss) is stated after charging -  
(a) Administrative Expenses

General Overheads  
Depreciation  
Auditors Remuneration  
Vehicle Leasing

1987	1986
£	£
490,287	497,602
12,031	12,700
2,100	2,000
6,300	18,050
<u>£511,318</u>	<u>£530,352</u>

(b) Staff Costs  
Staff Costs during the year amounted to -

Wages and Salaries  
Social Security Costs

1987	1986
£	£
789,768	814,404
76,895	69,377
<u>£866,663</u>	<u>£883,781</u>

The average weekly number of employees during the year was made up as follows -

Office and Management  
Playing Staff  
Other

1987	1986
Number of Employees	Number of Employees
20	21
36	38
28	21
<u>84</u>	<u>80</u>

Emoluments (excluding pension contributions) of employees earning more than £20,000 were as follows -

£20,001 to £25,000  
£25,001 to £30,000  
£30,001 to £35,000  
£35,001 to £40,000  
£40,001 to £45,000  
£45,001 to £50,000  
£50,001 to £55,000

1987	1986
Number of Employees	Number of Employees
7	5
1	2
1	1
0	2
0	1
1	0
0	1

### 4 INTEREST PAYABLE

Bank Overdrafts  
Building Loan  
Mortgage Interest  
Loan and other Interest  
Hire Purchase Interest

1987	1986
£	£
234,929	254,998
92,532	116,889
9,000	5,669
3,468	4,815
849	1,419
<u>£340,778</u>	<u>£383,780</u>

## Notes to the Accounts 1987

### 5 TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

Corporation Tax on results of the year

1987	1986
£NIL	£NIL

### 6 FIXED ASSETS

Tangible Assets

	Freehold Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £
(a) Cost			
At 1st June, 1986	7,338,728	415,619	14,174
Additions	15,460	13,684	
Disposals			(9,359)
At 31st May, 1987	7,354,188	429,283	4,815
(b) Depreciation			
At 1st June, 1986		209,447	11,404
Charges for the year		11,953	670
Less released on disposals			(7,450)
At 31st May, 1987		321,400	4,624
(c) Net Book Value			
At 31st May, 1987	£7,354,188	£107,883	£132
At 31st May, 1986	£7,338,728	£106,172	£2,710

Contracts for Capital Expenditure not provided for in these accounts at 31st May, 1987 amounted to £141L (1986 --- £Nil)  
Capital Expenditure authorised by the Directors but not contracted for at 31st May, 1987, amounted to £Nil (1986 - £Nil.)

## Notes to the Accounts 1987

1986  
£NIL

### 7 DEBTORS

Trade Debtors  
Prepayments  
Other Debtors

1987	1986
£	£
95,287	125,633
101,656	75,002
46,727	142,814
<u>£243,570</u>	<u>£343,504</u>

Motor  
Vehicles  
£

### 8 CREDITORS — Amounts falling due within one year

Building Loan Instalments  
Mortgage Instalments  
Bank Overdrafts  
Trade Creditors  
Accruals  
Hire Purchase Instalments  
Taxation and Social Security Costs  
Loans  
Deferred Income  
Unclaimed Dividends  
City Bonds

1987	1986
£	£
104,000	104,000
13,816	13,816
1,119,813	1,691,812
649,437	511,567
162,543	170,207
198	3,782
189,700	128,105
22,412	35,214
180,030	249,489
680	000
19,250	-
<u>£2,468,879</u>	<u>£2,917,772</u>

The bank overdrafts are secured by charges on the land and premises at Maine Road and on the complex at Platt Lane

### 9 CREDITORS — Amounts falling due after more than one year

Building Loan  
Mortgage secured on Social Club premises  
City Bonds  
Loans  
Deferred Income

1987	1986
£	£
566,000	670,000
180,694	100,777
65,550	86,600
980,222	1,051,091
16,544	19,854
<u>£1,809,060</u>	<u>£2,010,222</u>

Building Loan

The Building loan bears interest at -

Below £500,000 1.5% over base  
Above £500,000 2.5% over base

Amounts repayable within five years  
Amounts repayable after five years

1987	1986
£	£
520,000	520,000
150,000	254,000
<u>£670,000</u>	<u>£774,000</u>

The current portion of the mortgage amounting to £104,000 is shown in current liabilities (1986 = £104,000)

## Notes to the Accounts 1987

9 continued

Mortgage secured on Social Club Premises  
The Mortgage bears interest at

	1987 £	1986 £
Bank base rate on	57,500	57,500
5% on	55,000	61,424
0% on	82,020	85,769
	<u>£104,610</u>	<u>£204,693</u>
	£	£
Amounts repayable within five years	69,582	49,416
Amounts repayable after five years	125,028	155,277
	<u>£104,610</u>	<u>£204,693</u>

The current portion of the mortgage amounting to £13,916 is shown in current liabilities (1986 — £13,916)

City Bonds

	1987 £	1986 £
Amounts repayable within five years	84,800	86,000
Amounts repayable after five years	—	—
	<u>£84,800</u>	<u>£86,000</u>

The current portion of the Bonds amounting to £19,250 is shown in current liabilities (1986 — £NIL)

Loans

	1987 £	1986 £
Amounts repayable within five years	964,684	980,647
Amounts repayable after five years	38,000	100,558
	<u>£1,002,684</u>	<u>£1,087,205</u>

The current portion of the loans amounting to £22,412 is shown in current liabilities (1986 - £35,214)

10 CALLED UP SHARE CAPITAL

	1987 £	1986 £
Authorised		
750,000 Ordinary Shares of £1 each	750,000	750,000
250,000 'A' Non-Voting shares of £1 each	250,000	250,000
	<u>£1,000,000</u>	<u>£1,000,000</u>
	£	£
Issued		
702,000 Ordinary Shares of £1 each	702,000	702,000
48,000 Ordinary Shares of £1 each — 25p paid	12,000	12,000
	<u>£714,000</u>	<u>£714,000</u>



## Notes to the Accounts 1987

### 11 REVALUATION RESERVE

Arising on the 1979 revaluation of  
freehold land and buildings at Molineux Road

1987	1986
£	£
£4,489,710	£4,489,710

### 12 PROFIT AND LOSS ACCOUNT

As 1st June 1986  
Profit/(Loss) for the financial year  
As 31st May 1987

1987	1986
£	£
(2,341,582)	(2,041,697)
575,739	(299,885)
£(1,765,843)	£(2,341,582)

### 13 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31st May 1987 (1986 - NIL)

### TAX STATUS

### 14 The Company is considered to be a close company

### 15 APPROVAL OF ACCOUNTS

These accounts were approved by the Board of Directors on 1st October, 1987

**Manchester City Football Club p.l.c.**

## Minutes

OF THE 92nd ANNUAL GENERAL MEETING OF THE SHAREHOLDERS HELD AT THE MANCHESTER CITY SOCIAL CLUB, MAINE ROAD, MANCHESTER ON FRIDAY 24th OCTOBER AT 12 NOON

### Present

Mr P J Swales Chairman, Mr F Pye Vice-Chairman, Mr I L G Niven, Director, Mr C B Muir, Director, Mr M T Horwich, Director, Mr W C Adams, Director, Mr A Thomas, Director, Mr G Doyle, Director, Mr W A Miles, Director, Mr B Turnbull, Director

Mr J B Halford, Secretary, Mr S Conway, Auditor and Mr G Smith, Solicitor were also in attendance

### Apologies

Mr J Grebach, Director

### Notice

The Notice convening the Meeting was read by the Secretary

### Minutes

It was proposed by Mr B Williams and seconded by Mr J Hedge and declared that the Minutes of the last Annual General Meeting held on 25th October, 1985, a copy of which was sent to registered Shareholders, would be taken as read and signed by the Chairman as a true and correct record

### Auditor's Report

Mr S Conway read the report on behalf of the Auditors

### Accounts and Directors' Report

The Chairman answered questions from the Shareholders in respect of the Company Accounts and explained to the Shareholders the increased monies which would be distributed to First Division Clubs during our next financial year which would give us an improvement of income from Football League funds

Mr B Williams said he felt he was speaking on behalf of the Shareholders when he said that the Club should not panic into spending large amounts of money in the transfer market in an effort to strengthen the Team, but we should continue the patience that the Directors were showing in awaiting the development of our youth players. It was proposed by Mr M Marsden and seconded by Mr E Broadbent that the Accounts and Directors' Report for the year ending 31st May, 1986 be approved and adopted and this proposal was carried unanimously

### Election of Directors

In accordance with the Company's Articles of Association four Directors retired by rotation and being eligible offered themselves for re-election and were re-elected as follows —

Mr I L G Niven proposed by Mr J Akin and seconded by Mr M Hutchings

Mr C B Muir proposed by Mr J Heale and seconded by Mr J Scott

Mr T Horwich proposed by Mr D Horwich and seconded by Mr D Britton

Mr W C Adams proposed by Mr G Copley and seconded by Mr A Connup

### Re-appointment of Auditors

It was proposed by Mr R Cartland and seconded by Mr P Redstone that Boardman Woolrich be re-appointed Auditors of the Company and hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and this was carried by the Shareholders

### Remuneration of the Auditors

It was proposed by Mr R Donn and seconded by Mr P Redstone that the Directors be authorised to fix the remuneration of the Auditors and this was declared carried

The Chairman then thanked the Shareholders for their attendance and declared that following the Meeting Mr J Fazzell, Team Manager, would be available to answer questions

There being no further business the Chairman declared the Meeting closed